REMARKS and ARGUMENTS

Claims 1, 2, 4, 6, 8-13, 15-18, 21, 24 and 25 are pending in the application.

Claims 1, 13, 21 and 24 are independent claims. Claims 2, 4, 6 and 8-12 depend from independent claim 1. Claims 15-18 depend from independent claim 13. Claim 24 depends from independent claim 23.

The examiner has rejected claims 1, 2, 4, 6, 8, 9, 12, 15-18, 21, 24 and 25 under 35 U.S.C. §103(a) as being unpatentable over Gormish *et al.* ("JPEG 2000: Overview," September 2000), hereinafter Gormish, in view of "Applicant's admitted prior art", hereinafter AAPA.

This rejection fails to present a prima facie case of obviousness as the prior art cited by the examiner is not proper prior art. The examiner cites AAPA in this rejection, however AAPA is not a proper reference. The examiner cites paragraphs 7 and 8 in the background section of the present application as AAPA. However, these paragraphs include references to applicant's own invention that was inadvertently included in the background of the present application. While statements in the background may be assumed to be prior art, these statements are clearly taken from the specification of applicant's parent case, Application No. 09/709,985. These statements are not expressly described as prior art and, even if assumed to be such, applicant's own work product should not be cited as prior art unless there is a statutory basis. MPEP 2129; *Reading & Bates Construction Co. v. Baker Energy Resources Corp.*, 748 F.2d 645, 650, 223 USPQ 1168, 1172 (Fed. Cir. 1984). Furthermore, since the parent case, Application No. 09/709,985, and the background of the present case were not issued or published more than a year before the filing date of the present case, there is no statutory basis for regarding AAPA as prior art. Applicant respectfully requests the examiner to reconsider this rejection in light of this argument.

Claims 10 and 11 are rejected under 35 USC §103(a) as being unpatentable over Gormish *et al.* ("JPEG 2000: Overview," September 2000), hereinafter Gormish, in view of US Patent No. 6,345,279, by Li, C.

Claims 10 and 11 are cancelled.

The examiner has rejected claims 1, 2, 8, 9, 12, 15-18, 21, 24 and 25 under 35 U.S.C. §103(a) as being unpatentable over US Patent Application No. 6,281,874 to Sivan *et al.* (hereinafter Sivan et al) in view of "Applicant's admitted prior art", hereinafter AAPA.

This rejection fails to present a prima facie case of obviousness as the prior art cited by the examiner is not proper prior art. The examiner cites AAPA in this rejection, however AAPA is not a proper reference. The examiner cites paragraphs 7 and 8 in the background section of the present application as AAPA. However, these paragraphs include references to applicant's own invention that was inadvertently included in the background of the present application. While statements in the background may be assumed to be prior art, these statements are clearly taken from the specification of applicant's parent case, Application No. 09/709,985. These statements are not expressly described as prior art and, even if assumed to be such, applicant's own work product should not be cited as prior art unless there is a statutory basis. MPEP 2129; *Reading & Bates Construction Co. v. Baker Energy Resources Corp.*, 748 F.2d 645, 650, 223 USPQ 1168, 1172 (Fed. Cir. 1984). Furthermore, since the parent case, Application No. 09/709,985, and the background of the present case were not issued or published more than a year before the filing date of the present case, there is no statutory basis for regarding AAPA as prior art. Applicant respectfully requests the examiner to reconsider this rejection in light of this argument.

Based on the foregoing amendments and remarks, the applicants respectfully request reconsideration and allowance of the present application.

Respectfully submitted,

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